

U.S. Army NAF
Employee Benefits Department
4700 King Street
Alexandria, VA 22302

First Class
U.S. Postage
PAID
Fidelity
Investments

Look Inside!

A new lineup of investment options
in the U.S. Army NAF Employee
401(k) Savings Plan

life after work®

New Investment Options Guide



New investment options

Announcing a change for the better!

U.S. Army NAF is excited to announce the addition of two funds to its current menu of investment options. Effective April 15, 2002, you can invest in the following funds through your U.S. Army NAF Employee 401(k) Savings Plan:

- Dodge & Cox Stock Fund
- T. Rowe Price Small-Cap Stock Fund

This new lineup of investment options will give you even more flexibility to build an investment portfolio that can help you achieve your long-term goals.

New overseas toll-free number

Now overseas 401(k) Savings Plan participants can call Fidelity toll free. Just dial the ATT Direct Access number for your country, then dial 877-833-9900.

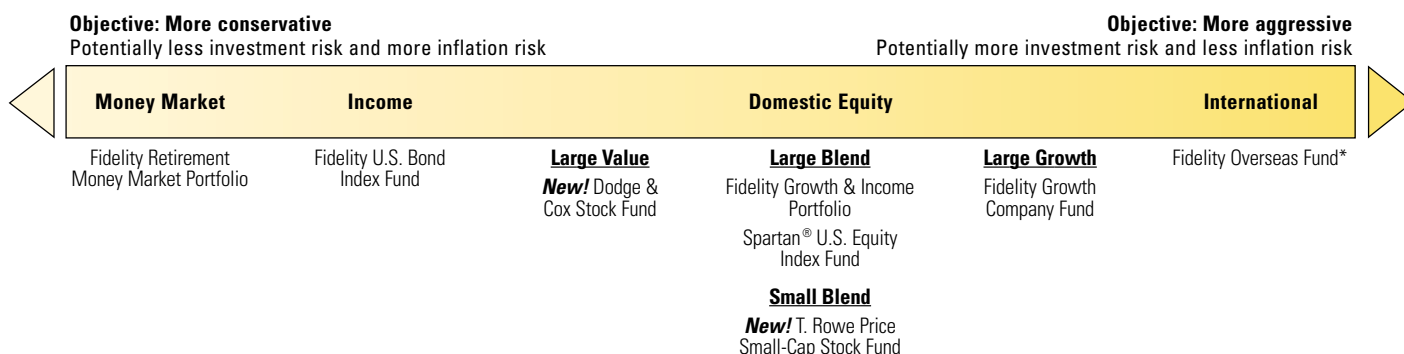
Tell them your Plan number is 90076, and you'll be transferred to a Fidelity Customer Service Representative who can answer your questions on the 401(k) Savings Plan.

Make the most of your new opportunities

Now is the time to reexamine your current investment strategy and make sure that your account is invested the way you want it! To request an exchange (transfer) between investment options, or request information about the new investment options, including a mutual fund prospectus, simply access your account through Fidelity NetBenefitsSM online services at www.401k.com or call the Fidelity Retirement Benefits Line at **1-800-835-5095**.

Investment Option Risk Spectrum

The spectrum below shows all the plan's investment options—including how the new mutual funds fit into the overall lineup. The more conservative investment options are shown on the left side of the spectrum, and the amount of investment risk increases as you move from left to right. Each of us needs to decide what degree of risk—a little or a lot—we are most comfortable with when we select investment options for our retirement savings. Reviewing this spectrum can help you select the best options for your own needs.



*There is a short-term trading fee of 1% for shares held less than 30 days.

This spectrum, with the exception of the Domestic Equity category, is based on Fidelity's analysis of the characteristics of the general investment categories and not on the actual investment options and their holdings, which can change frequently. Investment options in the Domestic Equity category are based on the options' Morningstar categories as of 3/31/02. Morningstar categories are based on a fund's style as measured by its underlying portfolio holdings over the past three years and may change at any time. These style calculations do not represent the investment options' objectives and do not predict the investment options' future styles. Investment options are listed in alphabetical order within each investment category. Risk associated with the investment options can vary significantly within each particular investment category, and the relative risk of categories may change under certain economic conditions. For a more complete discussion of risk associated with the mutual fund options, please read the prospectus before making your investment decision. The spectrum does not represent actual or implied performance.

Fidelity Asset ManagerSM

This fund offers a blend of stocks, bonds, and short-term investments within a single fund. It is designed for investors who don't want to go through the process of picking several funds from the three asset classes, but who still want to diversify among stock, bond, and short-term investment classes.

Objective: More conservative
Potentially less investment risk
and more inflation risk

Objective: More aggressive
Potentially more investment risk
and less inflation risk

**Fidelity
Asset ManagerSM**

The portfolio manager of the Asset Manager fund(s) has the flexibility to periodically shift investments between the three asset classes, depending on the current outlook for the various markets. The risk level of the Asset Manager fund(s) cannot be portrayed as a single point on the objective spectrum along with the other investment options because it can change periodically according to how the assets are invested. Placement of each Fidelity Asset Manager Fund on this spectrum is in relation to the other Fidelity Asset Manager funds that have different investment strategies. For information on the risks associated with the Asset Manager fund(s), please read the prospectus(es).

your new lineup of investment options

Fidelity Retirement Money Market Portfolio

Fund code: 00630

What it is: A Fidelity money market mutual fund.

Goal: Seeks to provide a high level of current income that is consistent with the preservation of capital and liquidity.

What it invests in: Invests in U.S. dollar denominated money market securities and repurchase agreements for those securities, and may enter into reverse repurchase agreements. The fund also invests more than 25% of total assets in the financial services industry. An investment in this portfolio is not guaranteed or insured by the FDIC or any other government agency. Although a money market fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in this fund. Yield will vary.

Who might want to invest:

- Someone who anticipates using a portion of this money soon, possibly for retirement income, and who is looking for the value of the investment to remain stable.
- Someone who is interested in balancing an aggressive portfolio with an investment that seeks to provide stability of principal.

Fidelity U.S. Bond Index Fund

Fund code: 00651

What it is: An income mutual fund.

Goal: Seeks to provide investment results that correspond to the total return of the bonds in the Lehman Brothers Aggregate Bond Index.*

What it invests in: Normally invests at least 80% of total assets in bonds included in the Lehman Brothers Aggregate Bond Index. Share price, yield and return will vary.

Who might want to invest:

- Someone who hopes to match the average performance of the overall bond market as measured by the Aggregate Bond Index.
- Moderate investors who are looking for a higher return than a money market fund and who are willing to accept the greater investment risk of bonds of companies and government agencies.

*The Lehman Brothers Aggregate Bond Index is an unmanaged market value-weighted index of investment-grade fixed-rate debt issues, including government, corporate, asset-backed, and mortgage-backed securities, with maturities of one year or more.

NEW

Dodge & Cox Stock Fund

Fund code: 94769

What it is: A growth and income fund.

Goal: To provide long-term growth of principal and income. A secondary objective is to provide reasonable current income.

What it invests in: A broadly diversified portfolio of common stocks. The fund will invest at least 80% of its total assets in common stocks. The fund may also purchase other types of securities, such as preferred or convertible stocks. The fund may also invest up to 20% of its assets in U.S. dollar-denominated foreign securities. Foreign securities involve greater risks. Share price and return will vary.

Who might want to invest:

- Someone who wants to invest in the fund over the long-term and is comfortable with the ups and downs of the stock market.
- Someone who wants both long-term growth and income.

Managed by Dodge & Cox, which provided the description for this fund.

Fidelity Growth & Income Portfolio

Fund code: 00027

What it is: A growth and income mutual fund.

Goal: Seeks to provide a high total return through a combination of current income and capital appreciation.

What it invests in: Normally invests a majority of assets in common stocks with a focus on those that pay current dividends and show potential for capital appreciation. The fund may potentially invest in bonds including lower-quality debt securities, as well as stocks that are not currently paying dividends but that offer prospects for future income or capital appreciation. Investments in lower-rated securities involve greater risk than other debt securities including the risk of default. The fund may invest in securities of domestic and foreign issuers. Share price and return will vary.

Who might want to invest:

- Someone interested in a combination of income and growth.
- Someone who wants the potential for long-term growth and who is willing to ride out the fluctuations of the stock market for the potential of a higher return.

Spartan® U.S. Equity Index Fund

Fund code: 00650

What it is: A growth and income mutual fund.

Goal: Seeks to provide investment results that correspond to the total return (i.e., the combination of capital changes and income) performance of common stocks publicly traded in the United States.

What it invests in: Normally invests at least 80% of assets in common stocks included in the S&P 500,** which broadly represents the performance of common stocks publicly traded in the United States. Share price and return will vary.

Who might want to invest:

- Someone who wants to pursue long-term growth through a portfolio of securities that broadly represent the stock market as measured by the S&P 500.®
- Someone willing to ride out stock market fluctuations for potentially high long-term return.

**The S&P 500® is a registered service mark of The McGraw-Hill Companies, Inc., and has been licensed for use by Fidelity Distributors Corporation and its affiliates. It is a widely recognized, unmanaged index of 500 U.S. common stocks.

NEW

T. Rowe Price Small-Cap Stock Fund

Fund code: 92556

What it is: A growth mutual fund.

Goal: Seeks to provide long-term capital growth by investing primarily in stocks of small companies.

What it invests in: The fund invests at least 65% of total assets in stocks and equity-related securities of small companies. A small company is defined as having a market capitalization that falls within the range of companies in the Russell 2000 Index, a widely used benchmark for small-cap stock performance. Stock selection may reflect either a growth or value investment approach. While investing in small to medium-sized companies is generally riskier than investments in more established companies, it may offer greater capital appreciation potential. Investments in smaller companies may involve greater risks than those of larger, more well-known companies. Share price and return will vary.

Who might want to invest:

- Someone seeking significant capital appreciation who can accept the possibility of more share price volatility than is associated with larger companies or the broad market averages.

Managed by T. Rowe Price Associates, Inc., which provided the description for this fund.

Fidelity Growth Company Fund

Fund code: 00025

What it is: A growth mutual fund.

Goal: Seeks to provide capital appreciation.

What it invests in: Normally invests primarily in common stocks. The fund invests in companies that the manager believes have above-average growth potential. The fund may invest in securities of domestic and foreign issuers. Share price and return will vary.

Who might want to invest:

- Someone who wants to diversify a conservative portfolio by investing a portion of his or her money in a growth fund.
- Someone who wants the potential for long-term growth and is willing to ride out the fluctuations of the stock market for the potential of a higher return.

Fidelity Overseas Fund

Fund code: 00094

What it is: A growth mutual fund that invests internationally.

Goal: Seeks to provide a long-term growth of capital.

What it invests in: Normally invests at least 80% of total assets in foreign securities. The fund normally invests primarily in common stocks. Foreign investments, especially those in emerging markets, involve greater risks and may offer greater potential returns than U.S. investments. These risks include political and economic uncertainties of foreign countries, as well as the risk of currency fluctuations. This fund carries a short-term trading fee, which is charged to discourage short-term buying and selling of fund shares. If you sell your shares after holding them for less than 30 days, the fund will deduct a short-term trading fee from your account equal to 1.00% of the value of the shares you sold. Share price and return will vary.

Who might want to invest:

- Someone who wants to complement the performance of U.S. investments with overseas investments, which can behave differently.
- Someone who is willing to ride out the fluctuations of the stock market for the potential of higher returns and who is comfortable with the risks involved with investing overseas.

Fidelity Asset ManagerSM

Fund code: 00314

What it is: An asset allocation mutual fund.

Goal: Seeks to provide a high total return with reduced risk over the long term by allocating its assets among stocks, bonds, and short-term instruments.

What it invests in: The manager allocates the fund's assets among stocks, bonds, and short-term and money market instruments. The fund's investments will normally fluctuate around a neutral mix of 50% of assets in stocks (can range from 30%–70%), 40% of assets in bonds (can range from 20%–60%), and 10% of assets in short-term/money market instruments (can range from 0%–50%). The manager regularly reviews the fund's allocations and makes changes gradually to favor investments believed to provide the most favorable outlook for achieving the fund's objective. The fund may invest in securities of domestic and foreign issuers. Share price, yield and return will vary.

Who might want to invest:

- Someone who wants to diversify among stocks, bonds, short-term and money market instruments, and other types of securities, who can tolerate the ups and downs of the stock market.
- Someone who wants the portfolio manager to have a moderate amount of flexibility, within defined ranges, in deciding how to allocate the fund's assets.

New Investment Service

U.S. Army NAF now provides 401(k) Savings Plan participants with a new online service called Financial Engines. This groundbreaking investment service provides unbiased, personalized, and ongoing investment information for 401(k) Savings Plan participants. Simply click on the Financial Engines logo located on the Benefits Web page at www.NAFBENEFITS.com. This service is provided at no cost to plan participants.

Financial Engines is not affiliated or associated with Fidelity Investments.

Unless otherwise noted, transaction requests confirmed after the close of the market, normally 4 p.m. Eastern time, or on weekends or holidays, will receive the next available closing prices.

The investment options available through the plan reserve the right to modify or withdraw the exchange privilege.

Foreign investments, especially those in emerging markets, involve greater risk and may offer greater potential returns than U.S. investments. This risk includes the political and economic uncertainties of foreign countries, as well as the risk of currency fluctuation.

This document provides only a summary of the main features of the U.S. Army NAF Employee 401(k) Savings Plan, and the plan document will govern in the event of any discrepancies.

Fidelity Management & Research Company manages Fidelity® mutual funds.

For more complete information about any of the mutual funds available through the plan, including fees and expenses, call or write Fidelity for free prospectuses. Read them carefully before you invest.

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